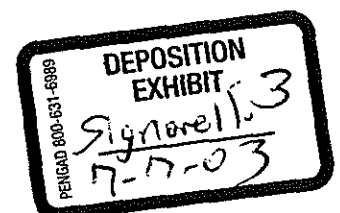
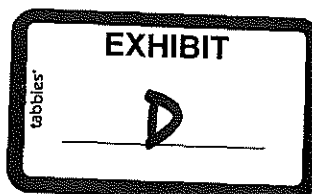


04/29/1999ROENV021999.xls

**Envelope Jet Shop
Financial Analysis****ASSUMPTIONS****RO ENVELOPE ASSET PURCHASE**

- 1 Purchase the 100 % of the assets for \$2MM, PAYABLE OVER 4 YEARS
- 2 Will refinance RO debt @ 8.0%, PAYABLE OVER 4 YEARS
- 3 WILL NEED TO SECURE A LINE OF CREDIT FOR \$750000 to 1,000,000
- 4 GOODWILL TO AMORTIZE OVER 15 YEARS
- 5 DEPRECIATION OF EQUIPMENT 7 YEARS S/L, OFFICE 5 YEARS S/L,
TRANSPORTATION 3 YEARS, LEASEHOLD 15 YEARS S/L.
- 6 TURN A/R 8 TIMES or 45 DAYS
- 7 TURN INVENTORY 20 TIMES OR 18 DAYS
- 8 TURN A/P 5 TIMES
- 9 P/L ASSUMES VARIABLE COST WILL CHANGE WITH SALES VOLUME.
- 10 OFFICER COMPENSATION FOR ROBBY WILL END AFTER YEAR 2
- 11 WAREHOUSE WILL NOT BE RENTED
- 12 Oles will manufacture 50 % of RO's envelopes and make a 20% contribution return
Oles will manufacture 15 % of RO's envelopes and make a 30% contribution return

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Envelope Jet Shop
Financial Analysis
Balance Sheet

PROFORMA PURCHASE 2/28/1999						
PURCHASE 02/28/1999	PURCHASE ENTRY	AFTER PURCHASE	END OF YEAR 1	END OF YEAR 2	END OF YEAR 3	END OF YEAR 4
Cash	16,234	1,000	17,234	-	-	-
Accounts Receivable	609,349	-	609,349	675,000	810,000	972,500
Inventory	153,202	-	153,202	212,292	254,002	304,210
Employee Advances	-	-	-	-	-	-
Prepaids	3,800	-	3,800	3,800	3,800	3,800
Current Assets	782,585	1,000	783,585	891,092	1,067,802	1,280,510
Fixed Assets						
Machinery	688,684	(188,684)	500,000	500,000	500,000	500,000
Office Equipment	114,236	(64,236)	50,000	50,000	50,000	50,000
Transportation	10,734	(734)	10,000	10,000	10,000	10,000
Leasehold Impr.	48,189	(23,189)	25,000	25,000	25,000	25,000
Accumulated Depreciation	(638,560)	638,560	-	(86,429)	(172,857)	(259,286)
Net Fixed Assets	223,283	361,717	585,000	498,571	412,143	325,714
Other Assets (Goodwill)	1,812	1,691,257	1,693,069	1,580,319	1,467,568	1,354,818
Total Assets	1,007,680	2,053,974	3,061,654	2,969,982	2,947,513	2,961,042
Liabilities						
Accounts Payable	669,527	-	669,527	621,870	744,504	891,887
Current Portion of LTD	-	-	-	144,170	144,170	144,170
Credit Line	100,000	-	100,000	353,672	607,099	682,237
Accrued Liabilities & Taxes	14,147	-	14,147	19,999	30,000	40,000
Current Liabilities	783,674	-	783,674	1,139,711	1,525,773	1,758,294
Due to Officers	188,240	(188,240)	-	-	-	-
Notes Payable : WT Bank /	128,764	300,000	300,000	225,000	150,000	75,000
Notes Payable : Welde / Re	35,258	164,022	164,022	123,017	82,012	41,007
Notes Payable : Leases	112,958	-	112,958	84,793	56,628	28,463
Purchase Payable	-	1,700,000	1,700,000	1,300,000	800,000	200,000
NonCurrent Liabilities	465,220	1,975,782	2,276,980	1,732,810	1,088,640	344,470
Total Liabilities	1,248,894	1,975,782	3,060,654	2,872,521	2,614,413	2,102,764
Stockholders Equity						
Common Stock	10,000	1,000	1,000	1,000	1,000	1,000
Retained Earnings (Deficit)	(247,296)	-	-	96,461	332,100	857,279
Current Net Income	(3,918)	-	-	96,461	235,640	525,178
Dividends - Tax Payments	-	-	-	-	-	-
Total Stockholders Equity	1,007,680	1,976,782	1,000	97,461	333,100	858,279
Total Liab. & Equity	1,007,680	1,976,782	3,061,654	2,969,982	2,947,514	2,961,042

velope Jet Shop
 Financial Analysis
 Summary P/L

PURCHASE PRICE \$2MM
PROFORMA \$2MM

	YEAR 1		YEAR 2		YEAR 3		YEAR 4	
LES	5,400,000	100%	6,480,000	100%	7,780,000	100%	9,331,000	100%
RCHASES	3,308,569	61.3%	3,970,283	61.3%	4,766,790	61.3%	5,717,085	61.3%
BOR	461,676	8.5%	554,011	8.5%	665,155	8.5%	797,759	8.5%
ERHEAD	475,590	8.8%	555,756	8.6%	652,252	8.4%	767,378	8.2%
OST OF GOODS SOLD	4,245,835	78.6%	5,080,050	78.4%	6,084,197	78.2%	7,282,222	78.0%
LOSS MARGIN	<u>1,154,165</u>	<u>21.4%</u>	<u>1,399,950</u>	<u>21.6%</u>	<u>1,695,803</u>	<u>21.8%</u>	<u>2,048,778</u>	<u>22.0%</u>
LES	290,700	5.4%	351,340	5.4%	420,990	5.4%	502,061	5.4%
CUPANCY	152,287	2.8%	160,787	2.5%	170,287	2.2%	179,787	1.9%
MIN	399,603	7.4%	402,274	6.2%	425,495	5.5%	433,742	4.6%
FIGERS COMP.(W/Bonus)	215,115	4.0%	249,910	3.9%	153,853	2.0%	179,269	1.9%
PERATING EXPENSES	1,057,704	19.6%	1,164,311	18.0%	1,170,625	15.0%	1,294,858	13.9%
ET INCOME BEFORE TAX	<u>96,461</u>	<u>1.8%</u>	<u>235,640</u>	<u>3.6%</u>	<u>525,178</u>	<u>6.8%</u>	<u>753,920</u>	<u>8.1%</u>
preciation	86,429	1.6%	86,429	1.3%	86,429	1.1%	86,429	0.9%
terest	74,452	1.4%	62,919	1.0%	71,659	0.9%	66,137	0.7%
of. Fees/AMORT GDWL	112,750	2.1%	112,750	1.7%	112,750	1.4%	112,750	1.2%
BITDA	<u>370,092</u>	<u>6.9%</u>	<u>497,737</u>	<u>7.7%</u>	<u>796,016</u>	<u>10.2%</u>	<u>1,019,236</u>	<u>10.9%</u>

Cash Adjusted Income

preciation	86,429	1.6%	86,429	1.3%	86,429	1.1%	86,429	0.9%
rof. Fees/AMORT GDWL	112,750	2.1%	112,750	1.7%	112,750	1.4%	112,750	1.2%
ebt Payments	(144,170)	-2.7%	(144,170)	-2.2%	(144,170)	-1.9%	(144,170)	-1.5%
axes @ 44% (DIVIDEND)	(42,443)	-0.8%	(103,682)	-1.6%	(231,078)	-3.0%	(331,725)	-3.6%
urchase Payment	<u>(400,000)</u>	<u>-7.4%</u>	<u>(500,000)</u>	<u>-7.7%</u>	<u>(600,000)</u>	<u>-7.7%</u>	<u>(200,000)</u>	<u>-2.1%</u>
ASH INCOME	<u>(387,434)</u>	<u>-7.2%</u>	<u>(548,672)</u>	<u>-8.5%</u>	<u>(776,069)</u>	<u>-10.0%</u>	<u>(476,716)</u>	<u>-5.1%</u>

les Margin on Ro Purchases

ssume 20% on 50% of Purchases	\$ 330,857	\$ 397,028	\$ 476,679	\$ 571,708
ssume 30% on 15% of Purchases	\$ 148,886	\$ 178,663	\$ 214,506	\$ 257,269
Total	<u>\$ 479,743</u>	<u>\$ 575,691</u>	<u>\$ 691,185</u>	<u>\$ 828,977</u>

PURCHASE PRICE
\$2MMEnvelope Jet Shop
Financial Analysis
Detail P/L

		PROFORMA \$2MM							
		YEAR 1		YEAR 2		YEAR 3		YEAR 4	
Sales		5,400,000	100%	6,480,000	100%	7,780,000	100%	9,331,000	100%
Purchases		3,308,569	61.3%	3,970,283	61.3%	4,766,790	61.3%	5,717,085	61.3%
Labor Direct		461,676	8.5%	554,011	8.5%	665,155	8.5%	797,759	8.5%
Printing Supplies		127,937	2.4%	153,524	2.4%	184,324	2.4%	221,070	2.4%
Contract - Printing		-	0.0%	-	0.0%	-	0.0%	-	0.0%
Fees & Benefits		90,175	1.7%	108,210	1.7%	129,919	1.7%	155,819	1.7%
Equipment Repairs / Tools		35,104	0.7%	42,125	0.7%	50,576	0.7%	60,659	0.7%
Delivery		147,612	2.7%	177,135	2.7%	212,671	2.7%	255,068	2.7%
Depreciation		74,762	1.4%	74,762	1.2%	74,762	1.0%	74,762	0.8%
Cost of Sales		4,245,835	78.6%	5,080,050	78.4%	6,084,197	78.2%	7,282,222	78.0%
Gross Margin		1,154,165	21.4%	1,399,950	21.6%	1,695,803	21.8%	2,048,778	22.0%
Selling	T. & E.	20,000	0.4%	25,000	0.4%	30,000	0.4%	35,000	0.4%
	Commissions	-	0.0%	-	0.0%	-	0.0%	-	0.0%
	Salaries	189,000	3.5%	226,800	3.5%	272,300	3.5%	326,585	3.5%
	Taxes & Benefits	56,700	1.1%	68,040	1.1%	81,690	1.1%	97,976	1.1%
	Auto - 4 (R&D)	20,000	0.4%	25,000	0.4%	30,000	0.4%	35,000	0.4%
	Advertising	5,000	0.1%	6,500	0.1%	7,000	0.1%	7,500	0.1%
	Total	290,700	5.4%	351,340	5.4%	420,990	5.4%	502,061	5.4%
Occupancy	Rent	75,120	1.4%	75,120	1.2%	75,120	1.0%	75,120	0.8%
	Trash Removal	5,500	0.1%	6,000	0.1%	6,500	0.1%	7,000	0.1%
	Utilities	36,000	0.7%	39,000	0.6%	43,000	0.6%	47,000	0.5%
	Real Estate Taxes	14,000	0.3%	14,000	0.2%	14,000	0.2%	14,000	0.2%
	Repairs & Maint	20,000	0.4%	25,000	0.4%	30,000	0.4%	35,000	0.4%
	Depreciation- lease hld	1,667	0.0%	1,667	0.0%	1,667	0.0%	1,667	0.0%
	Total	152,287	2.8%	160,787	2.5%	170,287	2.2%	179,787	1.9%
ADMIN	Salaries	73,000	1.4%	76,650	1.2%	80,483	1.0%	84,507	0.9%
	Taxes & Benefits	21,900	0.4%	22,995	0.4%	24,145	0.3%	25,352	0.3%
	Retirement/401k Plan	-	0.0%	-	0.0%	-	0.0%	-	0.0%
	Insurance	32,000	0.6%	35,000	0.5%	38,000	0.5%	41,000	0.4%
	Office	30,000	0.6%	33,000	0.5%	36,000	0.5%	38,000	0.4%
	Interest	74,452	1.4%	62,919	1.0%	71,659	0.9%	66,137	0.7%
	Professional	5,000	0.1%	6,000	0.1%	7,000	0.1%	8,000	0.1%
	Other	5,000	0.1%	5,000	0.1%	5,000	0.1%	5,000	0.1%
	Telephone	24,000	0.4%	24,960	0.4%	25,958	0.3%	26,997	0.3%
	Depreciation FFE	10,000	0.2%	10,000	0.2%	10,000	0.1%	10,000	0.1%
	Data Processing	4,000	0.1%	5,000	0.1%	6,000	0.1%	7,000	0.1%
	Service Contracts/Dues	7,500	0.1%	8,000	0.1%	8,500	0.1%	9,000	0.1%
	Goodwill Amort.	112,750	2.1%	112,750	1.7%	112,750	1.4%	112,750	1.2%
	Total	399,603	7.4%	402,274	6.2%	425,495	5.5%	433,742	4.6%
Operating Income		311,576	5.8%	485,550	7.5%	679,031	8.7%	933,189	10.0%
Officers Salaries		156,000	2.9%	156,000	2.4%	78,000	1.0%	78,000	0.8%
Officers Taxes & Benefits		35,000	0.6%	35,000	0.5%	17,500	0.2%	17,500	0.2%
Total		191,000	3.5%	191,000	2.9%	95,500	1.2%	95,500	1.0%
Net Income (Before PS,Taxes)		120,576	2.2%	294,550	4.5%	583,531	7.5%	837,689	9.0%
Officers' Bonus		24,115	0.4%	58,910	0.9%	58,353	0.8%	83,769	0.9%
Net Income (Before Taxes)		96,461	1.8%	235,640	3.6%	525,178	6.8%	753,920	8.1%
Depreciation		86,429	1.6%	86,429	1.3%	86,429	1.1%	86,429	0.9%
Interest		74,452	1.4%	62,919	1.0%	71,659	0.9%	66,137	0.7%
Prof. Fees/AMORT GDWL		112,750	2.1%	112,750	1.7%	112,750	1.4%	112,750	1.2%
EBITDA		370,092	6.9%	497,737	7.7%	796,016	10.2%	1,019,236	10.9%

PURCHASE PRICE \$2MM**Envelope Jet Shop
CASH FLOW****OPERATING ACTIVITIES:****NET INCOME****ADJUSTMENTS TO RECONCILE NET INCOME TO
NET CASH PROVIDED FROM OPERATIONS:****DEPRECIATION****CHANGE IN ACCOUNTS RECEIVABLE****CHANGE IN PREPAID EXPENSES****CHANGE IN INVENTORIES****CHANGE IN OTHER ASSETS****CHANGE IN ACCOUNTS PAYABLE
AND OTHER LIABILITIES****NET CASH PROVIDED BY OPERATIONS****INVESTING ACTIVITIES:****PURCHASE OF PROPERTY AND EQUIPMENT****NET CASH PROVIDED (USED IN)****INVESTING ACTIVITIES****FINANCING ACTIVITIES:****PROCEEDS (PAYMENT) FROM CREDIT LINE****PROCEEDS (PAYMENT) FROM****ON LONG TERM DEBT AND CAPITAL LEASES****CHANGE IN LOAN RECEIVABLE- OFFICER****DIVIDENDS PAID / TAXES****NET CASH PROVIDED (USED IN)****FINANCING ACTIVITIES****NET INCREASE (DECREASE) IN CASH****CASH BEGINNING OF YEAR****CASH END OF YEAR****Proforma \$2MM**

YEAR 1	YEAR 2	YEAR 3	YEAR 4
96,461	235,640	525,178	753,920
86,429	86,429	86,429	86,429
(65,651)	(135,000)	(162,500)	(193,875)
-	-	-	-
(59,090)	(41,711)	(50,207)	(59,901)
112,750	112,750	112,750	0
(41,805)	132,635	157,382	185,427
129,094	390,743	669,032	771,999
-	-	-	-
-	-	-	-
253,672	253,427	75,138	(427,829)
(400,000)	(644,170)	(744,170)	(344,170)
-	-	-	-
-	-	-	-
(146,328)	(390,743)	(669,032)	(771,999)
(17,234)	0	(0)	(0)
17,234	(1)	-	-
(1)	(2)	(0)	(0)

**Envelope Jet Shop
Financial Analysis
RATIOS**

	PROFORMA			
	YEAR A	YEAR B	YEAR C	YEAR D
CURRENT RATIO	0.78	0.70	0.73	1.01
RETURN ON ASSETS	3.20%	7.84%	17.44%	24.73%
DEBT TO EQUITY	29.47	7.85	2.45	0.94
COVERAGE RATIO	(0.72)	(0.45)	0.86	5.22
INVENTORY TURNS	21.60	19.50	20.84	19.84
INVENTORY DAYS	16.9	18.7	17.5	18.4
A/R TURNS	8.41	9.13	9.84	10.13
A/R DAYS	43	40	37	36
A/P TURNS	5.12	5.62	6.11	6.77
A/P DAYS	71	65	60	54
PURCHASES	61.27%	61.27%	61.27%	61.27%
GROSS MARGIN	21.37%	21.60%	21.80%	21.96%
OPERATING PROFIT	1.79%	3.64%	6.75%	8.08%